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the family of USSR satellites is not cooperating and helping each other sufficiently. The individual isolation among the Soviet bloc countries is still very strong. There is no free movement of people and inter-exchange of technicians and scientists. In general, relations among the individual satellites are almost as restricted as their relations with the Western powers. Poland or Hungary, for instance, and the USSR are almost as strange to the Czechoslovak people as any western nation. And even though there are some inter-satellite organizations, such as the Polish Friendship Society, or Czech-Hungarian Society, the actual cooperation and relations between these peoples remain purely theoretical.

the peoples behind the Iron Curtain are today more united than ever before for one reason: the common domination by Soviet Russia.

2. Economic cooperation among satellites takes place actually only on the highest level, ie in the respective countries' Communist Parties and in the Cominform Council for Mutual Economic Assistance (CEMA). In broad economic and political circles there is practically nothing known of CEMA and its operations. Even the Ministry of Foreign Trade knows very little about them. the most important role of the Cominform Council for Mutual Economic Assistance is in the field of coordination and mutual planning for future industrial development. The Council has a Committee on Foreign Trade, having inter-

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state conferences once or twice a year, usually in Bucharest or in Moscow. [redacted] no representatives of the Ministry of Foreign Trade ever participate in these conferences. It was rumored that they were usually attended by Lubomir Sochor and some other CP members from the Central Secretariat of the Communist Party. It is believed, even among Communists, that the CEMA is actually used more as an instrument of propaganda than as a working organization. The general opinion is that until the present time inter-satellite economic planning has not yet been sufficiently regulated and what has been done amounts actually to a few general directives, originating not from CEMA, but from the Communist Party Headquarters in Moscow. It is true that a certain exchange of experience and information in economic, technical and scientific fields takes place in satellite countries. But the extent of such inter-exchange can never be compared with the highly developed exchange of information existing in the free world.

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3. The Czechoslovak State Planning Bureau maintains a few of its employees in various satellites, attached usually to the Czechoslovak Embassy. [redacted]

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[redacted] whenever practicable these offices carry out decisions of the Council. The Bureau for Planning also maintains a large office in Moscow, which is headed by Ing Husek (fnu), former employee of the famous Bata shoe works in Zlin. Similar offices were recently opened in Poland, Hungary and Rumania. These offices make use of diplomatic cover and immunity but have no direct connection with the Ministry of Foreign Affairs.

4. [redacted] high-level directives with regard to foreign trade are issued in the following manner:
- (a) general directives concerning foreign trade policy are issued to the Ministry of Foreign Trade exclusively by the Central Committee of the Czechoslovak Communist Party.
 - (b) directives relating to USSR-Czechoslovak trade are issued only by the Soviet Trade Mission in Prague.
 - (c) directives relating to mutual cooperation in foreign trade among the "people's democracies" are issued by the Subcommittee of the Advisory Board of Mutual Economic Help (Rada Vzajemne Hospodarske Pomoci), which has conferences once or twice annually.

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5. [redacted] the Central Committee of the Communist Party issues only most general directives, [redacted] it is the responsibility of the Minister and his subordinates to work out all details in compliance with these directives.

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6. [redacted] cooperation among satellites in economic matters is to be extended and the respective trade offices enlarged; [redacted]

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[redacted] it is possible that these offices are, or will be, the actual ties of CEMA connecting individual satellite countries. [redacted]

7. There is even now considerable inter-satellite trade, and all preparations for the annual trade conferences and the participation in such conferences are made by the respective territorial department of the Ministry and Foreign Trade Company. [redacted] discussions on these conferences are usually very long and tiresome. There is reason to believe that inter-satellite trade is increasing. But at the same time, imports for domestic needs are very low, and will be even lower in the future, for a great majority of exports from the USSR have to be processed and sent back to the USSR or satellite countries.
8. [redacted] doubt that CEMA controls satellite foreign exchange resources and gold reserves; [redacted] each satellite is responsible for its own gold reserves.
9. [redacted]
10. [redacted]
11. [redacted]
12. Czechoslovakia is undoubtedly the most industrialized country among the Slavic or Eastern European nations and the Czechoslovaks are now being forced to assist in the industrialization of the other satellites. This assistance is extremely costly for the Czechs, who are being "repaid" mostly in agricultural products or by long-term loans. At present Prague shops are filled with Hungarian and Bulgarian paprika and tomatoes.
13. [redacted] not believe Czechoslovakia acts as an intermediary for the shipment of western goods to the USSR or the satellites. If it does, the volume of the transhipped imports is relatively unimportant. The Czechoslovaks are, however, being used by the satellites to assist in the export of their products. Hungary has been attempting to sell "Hungarian Salami" through the Czech export company, Kocspol, to some US firms by misrepresenting this salami as being of Czech origin, but "Hungarian type". Considerable quantity of this salami was sold to the US at the time when trade between the US and Hungary was normal. The Czechs are also attempting to sell Polish and Hungarian poppy-seeds and some Hungarian Kosher liquor. These transactions are handled by Centro-komise Ltd in Prague.

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14. [] trade statistics or trade agreements between Czechoslovakia and the USSR or its satellites [] are considered top secret, and only the head of the respective country department in the Foreign Trade Ministry knows the amount of the involved trade. Each department and desk is completely isolated in regard to these statistics. However, the expansion of the USSR and "People's Democracy" sections in the Ministry of Foreign Trade indicates that trade with these nations since the end of World War II has increased tremendously. Some rumors were circulating in the Ministry that Czechoslovak exports to the USSR were much larger than imports from this country to Czechoslovakia. The Soviet "help" during the catastrophic drought in 1948 is still being repaid by Czechs. [] an incident [] illustrates the importance the Communists place on maintaining secrecy in regard to USSR-Czechoslovak agreements. [] has told that the State Court early in 1950 tried an employee of the Ministry of Foreign Trade who allegedly attempted to obtain some secret information concerning the volume and type of commodities involved in Soviet-Czechoslovak trade. The employee, who reportedly wanted to sell this information to a foreign power, was sentenced to life imprisonment.
15. [] the recent policy of East-West trade controls affects very much the Soviet bloc economy. In the first place there is the blocking of export licenses in the US. In the second place much stricter controls are now in effect in Western Germany and Austria. [] considerable quantities of material are still coming through these channels. [] they were coming in large quantities in 1949 and the early months of 1950, when a strong policy of export licensing was put into effect. At that time the Czech Government and other satellites believed they would still be able to get many blocked materials from various European Marshall Plan countries through existing [] and Austrian channels. The Czechoslovak Communists always underestimated the possibility of a sincere and effective cooperation among the Marshall Plan countries and application of strict export and transit control measures. [] several complaints about the effectiveness of control measures in [] and the unwillingness of Western exporters to violate control regulations. The Communists actually cannot understand the excellent cooperation in application of control rules, and blocking of illegal ways of importing goods into Czechoslovakia. On the other hand the same Marshall Plan countries lack sufficient cooperation in the attempt to prevent Czechs from getting strategic materials in legal ways.
16. []
17. In the shipment of Czechoslovak goods to satellite countries and the USSR, reference is given to Polish ports. Use of other harbors is permitted only in cases where there is danger of great delay, or where some other shipping route is explicitly requested by the customer. In the latter cases the trend is always to use [] or []

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18.

[redacted] Judging from the traffic
at the Bratislava port, the present traffic on the Danube
must be much lower than it was in prewar times.

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19.

There are some indications that trade with Albania has
increased recently. [redacted]
[redacted] in 1950 there was established in
the Czechoslovak Ministry of Foreign Trade a special
department for Albania, and [redacted] many
ships from Gdynia or Szczecin were chartered to Albania.

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21.

[redacted] Rumania is
delivering to Czechoslovakia very little petroleum,
and [redacted] these deliveries had been constantly decrea-
sing since 1949. [redacted]

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[redacted] many complaints that Rumania has
nothing to offer as compensation for Czechoslovak indus-
trial deliveries. Recently, however, considerable quan-
tities of such Rumanian canned goods as canned beef
and pork and marmalade have appeared in Czechoslovak
shops. These goods were extremely expensive, quite out
of reach for most people.

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22. Trade between Czechoslovakia and Yugoslavia is practically
dead today. Nothing is done on this trade in the depart-
ment of the Ministry responsible for it (Dept for Yugo-
slavia, [redacted] There is very
limited trade with [redacted] and
Yugoslavia are considered "dead" countries. [redacted]

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